

State of Alaska FY2008 Governor's Operating Budget

Dept of Commerce, Community, & Economic Development Alaska Energy Authority Rural Energy Operations Component Budget Summary

Component: Alaska Energy Authority Rural Energy Operations

Contribution to Department's Mission

Assist in the development of safe, reliable and efficient energy systems throughout Alaska, which are sustainable and environmentally sound, and to reduce the cost of energy in rural Alaska.

Core Services

- Utility systems training, fuel systems training, business plan training
- Active Loan Programs - Power Project Fund, Bulk Fuel Revolving Loan Fund
- Coordination and management of AEA capital projects
- Provide planning and technical assistance to communities with energy infrastructure needs

Major Activities to Advance Strategies

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| <ul style="list-style-type: none"> • Issue/administer contracts and loans • Coordinate with communities and other government agencies • Develop business plans • Apply for grant funds • Provide technical assistance | <ul style="list-style-type: none"> • Perform energy audits • Project management • Recruitment of eligible trainees • Development of site-specific training curriculum • Develop/expand curriculum for powerhouse training |
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FY2008 Resources Allocated to Achieve Results

FY2008 Component Budget: \$3,738,000

Personnel:

Full time	0
Part time	0
Total	0

Key Component Challenges

AEA challenges include, scheduling and managing Denali Commission requested Bulk Fuel and Rural Power System Upgrade projects with an unpredictable capital funding stream; for the training programs the primary challenges include high turnover in bulk fuel and utility clerk job classes and last minute cancellations from training participants which makes it difficult for AEA to fill available training slots. The increasing per unit cost of fuel has increased annual demand on the bulk fuel revolving loan fund.

Significant Changes in Results to be Delivered in FY2008

No significant changes in results to be delivered.

Major Component Accomplishments in 2006

Funded by AEA's Energy Cost Reduction (ECR) Program, Alaska Power and Telephone Co. completed the 2 MW South

Fork Hydro Project on Prince of Wales Island, expected to displace 536,000 gallons per year of diesel for power generation.

AEA completed the Alaska Renewable Energy Atlas with Renewable Energy Alaska Project. The Atlas provides a guide to biomass, geothermal, hydroelectric, ocean, solar, and wind energy resources with overview of existing energy infrastructure and potential policies.

AEA posted a new statewide high-resolution wind resource map on its website. The map was completed with support from utilities and National Renewable Energy Laboratory. AEA also continued to expand its onsite wind energy resource assessment program with data from its anemometer loan program. Currently over 35 sites throughout the state have been assessed.

AEA's contractor lighting and heating system upgrades in over 50 public facilities in 17 rural communities through the Village End Use Efficiency Measures Program. Typical payback on investment is less than 5 years.

AEA supported DOT/PF State Facility Efficiency program with projected energy savings of \$3.4 million over 10 years.

Energy Efficiency and Technology Assistance Program funded audits and power system efficiency assessments in 14 communities.

AEA administered training programs bulk fuel operator training for 22 students, itinerant bulk fuel operator training for 21 students, power plant operator training for 17 students, advanced power plant operator training for 7 students, utility clerk training for 10 students, hydro power plant training for 8 students, bulk fuel bookkeeper training for 14 students and bulk fuel manager training for 12 students.

AEA, in cooperation with UAF Arctic Energy Technology Development Laboratory, planned and prepared for the Rural Energy Conference which took place in Valdez in September 2005.

AEA committed 48 loans for \$7.8 million through the Bulk Fuel Revolving loan fund program.

For the fifth consecutive year, AEA participated in the Village Management Institute at Sheldon Jackson College. AEA recruits potential participants and AEA staff serves as instructors during the annual 7-day executive management program.

Statutory and Regulatory Authority

AS 42.45	Rural and Statewide Energy Programs
3 AAC 106	Loan Programs
3 AAC 107	Grant Programs
3 AAC 160	Rural Development Assistance and Bulk Fuel Storage Facility Grant Programs

Contact Information

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**Alaska Energy Authority Rural Energy Operations
Component Financial Summary**

All dollars shown in thousands

	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	0.0	0.0
72000 Travel	168.7	164.5	164.5
73000 Services	2,982.3	3,181.6	3,415.5
74000 Commodities	73.5	48.0	48.0
75000 Capital Outlay	27.6	10.0	10.0
77000 Grants, Benefits	0.0	100.0	100.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	3,252.1	3,504.1	3,738.0
Funding Sources:			
1002 Federal Receipts	5.0	71.9	71.9
1004 General Fund Receipts	198.6	198.6	215.6
1007 Inter-Agency Receipts	363.3	350.0	350.0
1061 Capital Improvement Project Receipts	1,802.3	1,562.8	1,691.8
1062 Power Project Loan Fund	858.9	1,056.5	1,144.4
1074 Bulk Fuel Revolving Loan Fund	0.0	53.7	53.7
1108 Statutory Designated Program Receipts	24.0	210.6	210.6
Funding Totals	3,252.1	3,504.1	3,738.0

Estimated Revenue Collections

Description	Master Revenue Account	FY2006 Actuals	FY2007 Management Plan	FY2008 Governor
Unrestricted Revenues				
Unrestricted Fund	68515	18.7	20.0	0.0
Unrestricted Total		18.7	20.0	0.0
Restricted Revenues				
Federal Receipts	51010	5.0	71.9	71.9
Interagency Receipts	51015	363.3	350.0	350.0
Statutory Designated Program Receipts	51063	24.0	210.6	210.6
Capital Improvement Project Receipts	51200	1,802.3	1,562.8	1,691.8
Bulk Fuel Revolving Loan Fund	51270	0.0	53.7	53.7
Power Project Loan Fund	51350	858.9	1,056.5	1,144.4
Restricted Total		3,053.5	3,305.5	3,522.4
Total Estimated Revenues		3,072.2	3,325.5	3,522.4

**Summary of Component Budget Changes
From FY2007 Management Plan to FY2008 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2007 Management Plan	198.6	71.9	3,233.6	3,504.1
Proposed budget increases:				
-FY 08 Internal Dept Cost Increase due to Retirement Systems Rate Increases	17.0	0.0	216.9	233.9
FY2008 Governor	215.6	71.9	3,450.5	3,738.0